

ANNUAL REPORT

Of

Company Name: Berneil Water Company
PO Box 219

Mailing Address: Tempe AZ
85280-0219

Docket No.: W-01275A
For the Year Ended: 12/31/18

RECEIVED
APR 12 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Original Filing
Application Date: 4/12/2019

4-22-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Berneil Water Company
A Class Utility

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

5. Person to whom correspondence should be addressed concerning this report:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

6. On-Site Manager:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

7. Ownership:

8. Counties Served:

Berneil Water Company
 Annual Report
 Utility Plant in Service (Water)
 12/31/18

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	400	0	0	400	0	400
304	Structures and Improvements	35,832	2,445	0	38,277	32,917	5,360
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	290,761	424	0	291,186	162,084	129,102
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	493,426	9,691	0	503,117	479,282	23,835
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	242,796	27,422	0	270,218	234,079	36,139
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	961,483	6,904	0	968,386	945,367	23,019
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	238,126	12,515	0	250,641	231,265	19,376
335	Hydrants	79,592	0	0	79,592	64,469	15,123
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	69,166	32,629	0	101,795	66,035	35,760
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	1,586	955	0	2,542	2,542	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$2,413,169	\$92,986	\$0	\$2,506,155	\$2,218,040	\$288,115

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Berneil Water Company
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/18

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	400	0	0	400	0	0.00%	0
304	Structures and Improvements	35,832	2,445	0	38,277	0	0.00%	3,396
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	290,761	424	0	291,186	0	3.47%	10,107
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0.00%	0
311	Pumping Equipment	493,426	9,691	0	503,117	0	4.34%	21,849
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	242,796	27,422	0	270,218	0	3.03%	8,199
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	961,483	6,904	0	968,386	0	2.25%	21,786
333	Services	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	238,126	12,515	0	250,641	0	5.32%	13,323
335	Hydrants	79,592	0	0	79,592	0	1.89%	1,506
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	69,166	32,629	0	101,795	0	7.81%	7,946
340	Office Furniture and Equipment	0	0	0	0	0	0.00%	0
340.1	Computer & Software	1,586	955	0	2,542	0	100.00%	2,542
341	Transportation Equipment	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$2,413,169	\$92,986	\$0	\$2,506,155	\$0	-	\$90,654

Contribution(s) in Aid of Construction (Gross)	\$53,510
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$53,510
Times: Proposed Amortization Rate	3.62%
Amortization of CIAC	\$7,650

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Berneil Water Company
 Annual Report
 Balance Sheet Assets
 12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$84,557	\$76,078
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	0
146	Notes Receivable from Associated Companies		300,429	304,454
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$384,987	\$380,531
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$2,413,169	\$2,506,155
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(2,127,386)	(2,218,040)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$285,783	\$288,115
	Total Assets		\$670,770	\$668,647

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

*Note these items feed automatically from AR3 UPIS Page 3

Berneil Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current Liabilities			
231	Accounts Payable		\$3,342	\$8,685
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		5,200	5,200
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$8,542	\$13,885
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$23,725	\$20,110
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		53,510	45,860
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$53,510	\$45,860
	Total Liabilities		\$85,777	\$79,855
	Capital Accounts			
201	Common Stock Issued		\$25,000	\$25,000
211	Other Paid-In Capital		0	0
215	Retained Earnings		559,993	563,791
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$584,993	\$588,791
	Total Liabilities and Capital		\$670,770	\$668,646

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Berneil Water Company
Annual Report
Water Comparative Income Statement
12/31/18

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	Operating Revenue		
461	Metered Water Revenue	\$696,001	\$664,463
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	0
	Total Revenues	\$696,001	\$664,463
	Operating Expenses		
601	Salaries and Wages	\$262,589	\$260,364
604	Employee Pensions and Benefits	\$0	0
610	Purchased Water	\$87,786	92,962
615	Purchased Power	\$109,979	105,296
618	Chemicals	\$0	0
620	Materials and Supplies	\$0	0
620.1	Repairs and Maintenance	\$1,800	3,098
620.2	Office Supplies and Expense	\$9,736	13,091
630	Contractual Services	\$0	0
631	Contractual Services - Engineering	\$0	0
632	Contractual Services - Accounting	\$4,235	3,229
633	Contractual Services - Legal	\$3,743	4,622
634	Contractual Services - Management Fees	\$0	0
635	Contractual Services - Water Testing	\$4,941	11,226
636	Contractual Services - Other	\$26,238	27,419
640	Rents	\$0	0
641	Rental of Building/Real Property	\$48,444	48,376
642	Rental of Equipment	\$0	0
650	Transportation Expenses	\$7,896	6,675
657	Insurance - General Liability	\$6,337	7,204
657.1	Insurance - Health and Life	\$0	0
665	Regulatory Commission Expense - Rate	\$0	0
670	Bad Debt Expense	\$1,045	237
675	Miscellaneous Expense	\$14,315	5,883
403	Depreciation Expense (From Schedule AR4)	83,004	65,206
408	Taxes Other Than Income	0	0
408.11	Property Taxes	16,820	16,891
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$688,955	\$671,827
	Operating Income / (Loss)	\$7,046	(\$7,364)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	\$0	0
426	Miscellaneous Non-Utility (Expense)	\$0	0
427	Interest (Expense)	(\$3,248)	(3,248)
	Total Other Income / (Expense)	(\$3,248)	(\$3,248)
	Net Income / (Loss)	\$3,798	(\$10,612)

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Full time equivalent employees

	Direct Company	Outside service	Total
President			0.0
Vice-president			0.0
Manager		0.5	0.5
Engineering Staff			0.0
System Operator(s)	1.0		1.0
Meter reader			0.0
Customer Service		0.5	0.5
Accounting			0.0
Business Office			0.0
Rates Department			0.0
Administrative Staff			0.0
Other			0.0
Total	1.0	1.0	2.0

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Berneil Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/18

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	8/31/1995			
Source of Loan	Paradise Valley			
ACC Decision No.				
Reason for Loan	Water Main			
Dollar Amt. Issued	\$93,000			
Amount Outstanding	\$6,475			
Date of Maturity	8/31/2019			
Interest Rate	6.00%			
Current Year Interest	\$755			
Current Year Principal	\$6,108			

Meter Deposit Balance at Test Year End:	\$5,200
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Meter Deposits Refunded During the Test Year:	\$0
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Water Utility Plant Description (Continued)

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	Gas Chlorinators
-----------------------------	------------------

STRUCTURES:	Block Fences
--------------------	--------------

OTHER:	
---------------	--

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Customer and Other Information	
Name of the System:	BERNEIL WATER COMPANY
ADEQ Public Water System Number:	AZ0407008
ADWR PCC Number:	91-000183.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	528	0	3	9	0
February	529	0	3	9	0
March	529	0	3	9	0
April	529	0	3	9	0
May	530	0	3	9	0
June	530	0	3	9	0
July	530	0	3	9	0
August	530	0	3	9	0
September	530	0	3	9	0
October	530	0	3	9	0
November	530	0	3	9	0
December	530	0	3	9	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment? Yes

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement? No

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)? Yes

If yes, which AMA? Phoenix AMA

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Berneil Water Company
Annual Report
Property Taxes
12/31/18

Property Taxes

Amount of actual property taxes paid during Calendar Year 2018 was

\$16,820

If no property taxes paid, explain why.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Berneil Water Company
Annual Report
Verification and Sworn Statement (Taxes)
12/31/18

Verification and Sworn Statement (Taxes)

Verification: State of Arizona, the undersigned of the
(state name)

County of (county name): Maricopa
Name (owner or official) title: Bradley Folkman, President
Company name: Berneil Water Company

RECEIVED

APR 12 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/18

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



signature of owner/official

480-966-5804
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS 12th DAY OF April 2019
(month) and (year)

MY COMMISSION EXPIRES May 21, 2021
(date)



(signature of notary public)

THA LEE
Notary Public - Arizona
Maricopa County
My Comm. Expires May 21, 2021

Page 15

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APR 12 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Maricopa
Name (owner or official) title: Bradley Folkman, President
Company name: Berneil Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/18

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$758,423

(The amount in the box above includes

\$62,075 in sales taxes
billed or collected)



signature of owner/official

480-966-5804

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

12th

DAY OF

Maricopa
(county name)

April 2019
(month) and (year)

MY COMMISSION EXPIRES

May 21, 2021
(date)

(signature of notary public) TIA LEE

Notary Public - Arizona

Maricopa County

My Comm. Expires May 21, 2021



Verification and Sworn Statement (Residential Revenue)

RECEIVED

Verification:

State of Arizona I, the undersigned of the
(state name)

County of (county name): Maricopa
Name (owner or official) title: Bradley Folkman, President
Company name: Berneil Water Company

APR 12 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/18

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

754,827.81

(The amount in the box above includes

61,772.07 in sales taxes
billed or collected)


signature of owner/official

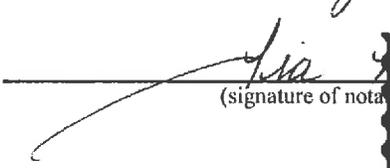
480-966-5804
telephone no.

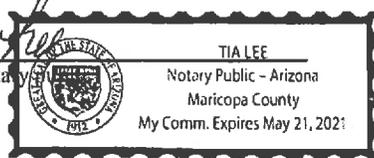
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Maricopa
(county name)

THIS 12th DAY OF April 2019
(month) and (year)

MY COMMISSION EXPIRES May 21, 2021
(date)


(signature of notary)



Company

Berneil Water Company

Docket No.:

W-01275A

Name of the System:

BERNEIL WATER COMPANY

ADEQ Public Water System Number:

AZ0407008

ADWR PCC Number:

91-000183.0000

2018 Utility Shutoffs / Disconnects

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

NA

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.